

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1902 – HB 2849

February 12, 2022

SUMMARY OF BILL: Allows for the Board of Medical Examiners and the Board of Osteopathic Examination to issue temporary clinical training licenses to eligible foreign physicians or medical graduates for up to 90 days.

FISCAL IMPACT:

**Increase State Revenue – \$104,400/FY22-23 and Subsequent Years/
Board of Medical Examiners
\$26,100/FY22-23 and Subsequent Years/
Board of Osteopathic Examination**

Pursuant to Tenn. Code Ann. § 4-29-121, all health-related boards are required to be self-supporting over a two-year period. The Board of Medical Examiners had a surplus of \$180,872 in FY19-20, a surplus of \$937,379 in FY20-21, and a cumulative reserve balance of \$2,647,324 on June 30, 2021. The Board of Osteopathic Examination had a surplus of \$130,275 in FY19-20, a surplus of \$146,215 in FY20-21, and a cumulative reserve balance of \$1,222,748 on June 30, 2021.

Assumptions:

- The proposed legislation does not create any additional mandatory burden to either the Board of Medical Examiners or the Board of Osteopathic Examination to support, financially or otherwise, additional foreign trainees other than providing close supervision in certain training activities.
- The Department of Health can carry out the proposed legislation within existing personnel and resources and can, therefore, be accomplished with no significant fiscal impact.
- An individual seeking a temporary license, as proposed in this legislation, is assumed to be responsible for paying the \$510 application fee for a locum tenens license.
- According to a report by the U.S. Department of Health and Human Services, Tennessee currently needs 256 primary care physicians in order to properly serve all Tennesseans.
- Assuming that 25 percent of these 256 open positions are filled with locum tenens license holders, there would be a turnover rate of around 4 times per year per position since the license is valid for only 90 days. This would mean approximately 256 [(256 x 4) x 25%] licenses will be granted each year.

- Currently in the United States, approximately 20 percent of all physicians are doctors of osteopathic medicine, and approximately 80 percent are doctors of medicine. The same percentages are applied to determine the number of applications for each board.
- Assuming that each individual pays the \$510 locum tenens license application fee, that would result in a revenue of \$104,448 (256 x 80% x \$510) to the Board of Medical Examiners and \$26,112 (256 x 20% x \$510) to the Board of Osteopathic Examination annually.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health-related boards are required to be self-supporting over a two-year period. The Board of Medical Examiners had a surplus of \$180,872 in FY19-20, a surplus of \$937,379 in FY20-21, and a cumulative reserve balance of \$2,647,324 on June 30, 2021. The Board of Osteopathic Examination had a surplus of \$130,275 in FY19-20, a surplus of \$146,215 in FY20-21, and a cumulative reserve balance of \$1,222,748 on June 30, 2021.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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